

# FT PARTNERS FINTECH INDUSTRY RESEARCH

December 17, 2020



## **Upstart Completes its IPO Raising \$240 million (NASDAQ: UPST)**

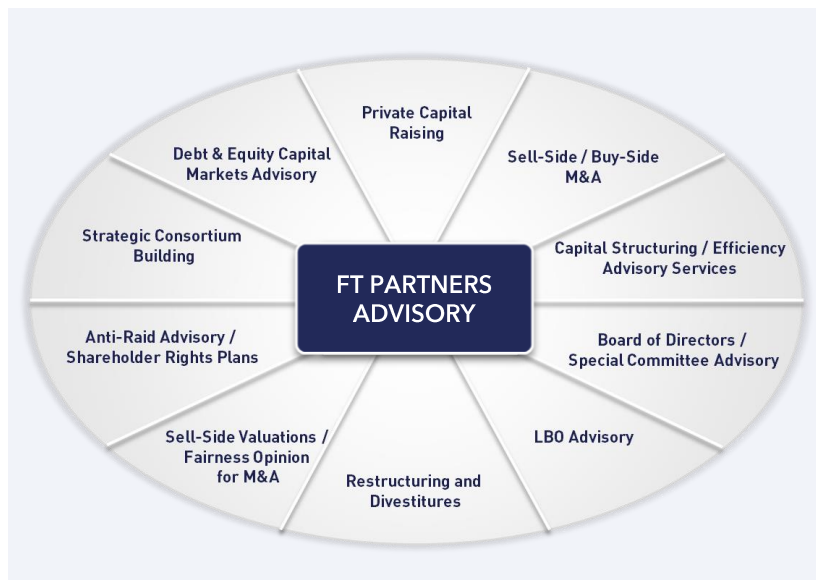
# FT Partners – Focused Exclusively on FinTech

FT PARTNERS RESEARCH

## Overview of FT Partners

- Financial Technology Partners ("FT Partners") was founded in 2001 and is the only investment banking firm focused exclusively on FinTech
- FT Partners regularly publishes research highlighting the most important transactions, trends and insights impacting the global Financial Technology landscape. Our unique insight into FinTech is a direct result of executing hundreds of transactions in the sector combined with over 19 years of exclusive focus on Financial Technology

### FT Partners' Advisory Capabilities



### FT Partners' FinTech Industry Research

**FINTECH RESEARCH & INSIGHTS**

- In-Depth Industry Research Reports
- Proprietary FinTech Infographics
- Monthly FinTech Market Analysis
- FinTech M&A / Financing Transaction Profiles



**The Information**

**Named Silicon Valley's #1 FinTech Banker (2016) and ranked #2 Overall by The Information**



**Ranked #1 Most Influential Person in all of FinTech in Institutional Investors "FinTech Finance 40"**



**THE M&A ADVISOR**

**Numerous Awards for Transaction Excellence including "Deal of the Decade"**

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# Upstart Raises \$240 million in its IPO



## Executive Summary

- On December 16, 2020, Upstart (Nasdaq:UPST), a cloud-based AI lending platform, completed its IPO
- Upstart raised approximately \$240 million in total by offering 12 million shares (9 million from Upstart and 3 million from selling shareholders) at \$20 per share, which was at the low end of the initial filing range of \$20 – 22 per share
  - At pricing, the Company's fully diluted market value was \$1.45 billion
  - The stock closed its first day of trading up more than 47% at \$29.47 per share, implying a market cap of approximately \$2.14 billion
- Upstart is headquartered in San Mateo, CA and was founded in 2012 by Dave Girouard, who previously managed Google's enterprise business
- The Company's platform aggregates consumer demand for high-quality loans and connects it to a network of Upstart AI-enabled bank partners
- Upstart generated \$146.7 million in revenue with 44% year-over-year growth in the first nine months of 2020, despite the onset of the Coronavirus pandemic
  - The nine month period in 2020 was Upstart's first period of profitability, reporting net earnings of approximately \$5.0 million
  - Q2 2020 was a difficult quarter for the Company as partner banks reduced their lending, leading to a 71% decrease in the number of loans transacted and a 47% year-on-year reduction in Q2 revenue
  - Previously, revenues had increased 65% to \$164.2 million for the year ending December 31, 2019
- Upstart has transacted more than 620,000 loans that generated more than 9 million repayment events
- Upstart has previously raised approximately \$125 million in equity capital from investors such as Third Point Ventures, Khosla Ventures, First Round Capital, The Progressive Corporation and Rakuten
  - The Company's \$50 million Series D in 2019 valued it at \$750 million post-money

# Upstart Raises \$240 million in its IPO



## IPO Overview

### Key IPO Statistics

CEO:	Dave Girouard
Headquarters:	San Mateo, CA
Founded:	2012
Employees:	461
<hr style="border-top: 1px dashed #00a09a;"/>	
Prospectus File Date:	November 9, 2020
Ticker:	NASDAQ:UPST
Gross Proceeds:	\$240 million
Shares:	12 million <sup>(1)</sup>
Filing Range:	\$20.00 – 22.00
Listing Date:	December 16, 2020
Offer Price:	\$20.00

### Use of Proceeds

The Company plans to use net proceeds received from this offering for general corporate purposes, including working capital, operating expenses, and capital expenditures. Additionally, a portion of the net proceeds received from this offering may be used to acquire or invest in businesses, products, services, or technologies.

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

Form S-1

Upstart, Inc.



NASDAQ:UPST

Dave Girouard  
Chief Executive Officer  
2950 S. Delaware Street, Suite 300  
San Mateo, California 94403  
United States

# Upstart Raises \$240 million in its IPO



## Upstart Overview

### Company Overview



Co-Founder & CEO:	Dave Girouard
Headquarters:	San Mateo, CA
Founded:	2012


- Upstart is a cloud-based artificial intelligence lending platform
- The Company’s platform aggregates consumer demand for high-quality loans and connects this demand to a network of Upstart AI-enabled bank partners
- Consumers on the platform benefit from higher approval rates, lower interest rates, and a highly automated, efficient, all-digital experience
- Bank partners benefit from access to new customers, lower fraud and loss rates, and increased automation throughout the lending process

### Key Stats


<b>15B</b> Cells of performance data	<b>622k+</b> Loans transacted on platform	<b>~75%</b> Reduction in loss rates
<b>10x</b> Increase in conversion rates	<b>~70%</b> Loans fully automated	<b>3</b> Of last 4 quarters GAAP profitable

### Products & Services


#### Borrow



**Loans from \$1,000 - \$50,000**  
Three and five year loan terms with an APR range from 7.98% - 35.99%



**Next day funding**  
99% of personal loan funds are sent just one business day after signing



**No prepayment penalty**  
Can pay off part or all of the loan at any time with no fee

#### For Banks

**Consumer Lending Platforms**  
Upgrade an existing program or launch a new one with Upstart’s turnkey offerings: *These solutions help increase access to credit, deliver more competitive rates, and offer a fully digital, effortless experience*

**APIs**  
Enhance the credit decisioning process with AI while leveraging existing technology: *With Upstart’s APIs, offer instant credit decisions for auto, personal, and student loans with higher approval rates and lower loss rates*

# Upstart Raises \$240 million in its IPO

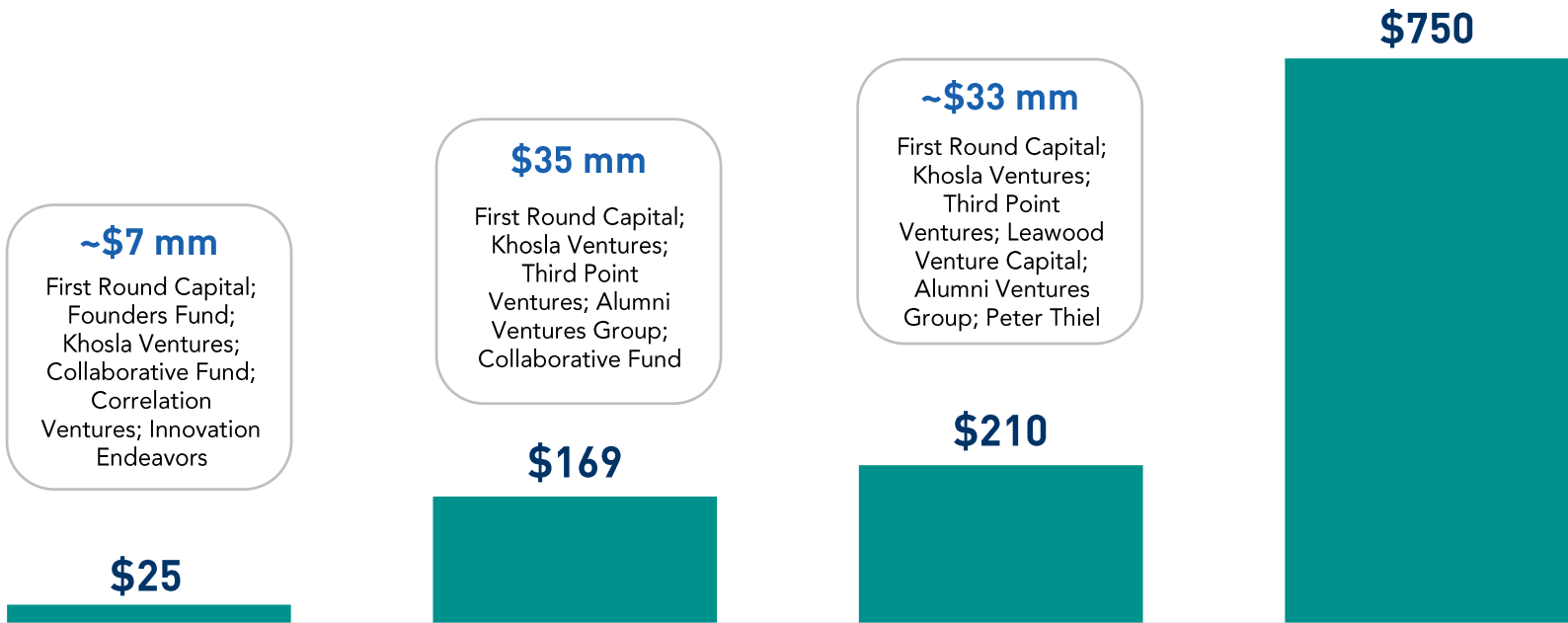
## Selected Equity Financing and Valuation History



- Financing Amount w/ Investors
- Post-Money Valuation

\$50 mm

Progressive Casualty Insurance Company  
Stone Ridge Trust;  
Healthcare of Ontario Pension Plan



Apr. 2013

Jul. 2015

Feb. 2017

Apr. 2019

Post-Money Valuation (\$ in mm) <sup>(1)</sup>

Source: FT Partners' Proprietary Transaction Database  
(1) Pitchbook, Company Press Release

## Market Opportunity

### Upstart's Market Opportunity

#### I. Affordable credit is critical to unlocking upward mobility and opportunity

- Studies have demonstrated a strong statistical link among access to affordable credit, personal well-being and income growth.
- While access to affordable credit has allowed Americans to purchase and improve their homes, buy cars, pay for college tuition and cover emergency expenses, high interest can negatively impact a consumer's financial health.

#### II. Affordable credit is inaccessible to millions because existing systems fail to accurately quantify risk

- Many borrowers suffer from the effects of inaccurate credit models. Many are approved for a loan that they ultimately will be unable to repay, negatively impacting both the consumer and the lender.
- Even consumers with high credit scores tend to pay too much for loans because the rates they pay effectively subsidize the losses from borrowers who default.

#### III. Banks will continue to be at the forefront of consumer lending

- Banks benefit from long-term structural advantages, including a low cost of funding, a unique regulatory framework, and high levels of consumer trust.
- Given these advantages, Upstart believes that a partnership-based bank enablement approach will be more successful than a disruption strategy.

#### IV. Banks must undergo a digital transformation to remain competitive

- Outside the largest four banks, there are approximately 5,200 FDIC insured institutions that are at risk of falling behind. Upstart believes these banks, particularly small to medium-sized banks, have outdated technology and lack the technical resources of larger banks to fund the digitization process.

#### V. Increasing recognition from regulators

- Many regulators including the FDIC, the OCC, the Federal Reserve and the CFPB increasingly recognize the opportunity to modernize techniques used in lending.
- In December 2019, these agencies issued an inter-agency report in support of the use of alternative data in lending decisions.

#### VI. The AI opportunity

- Lending is a compelling application for AI. First, it involves sophisticated decisioning for events that occur millions of times each day. Second, there is an almost unlimited supply of data that has the potential to be predictive and improve the accuracy of credit decisions. Third, given the costs and risks associated with lending, the economic wins from AI are dramatic for both banks and consumers.
- With an eight-year head start, Upstart's AI lending platform is well-positioned to power a significant portion of the U.S. credit market.

# Upstart Raises \$240 million in its IPO



## Competitive Strengths

### Upstart's competitive strengths include:

#### Constantly Improving AI Models

- Upstart has been building and refining AI models for more than eight years, and it has directly led to growth and profitability
- The models currently incorporate more than 1,600 variables and are trained by more than 9 million repayment events
- Model and technology improvements have increased the Company's conversion rate from the initial rate inquiry to funded loan by a factor of ten since inception

#### Flexible Two-sided Ecosystem

- Upstart benefits from aggregating consumer demand on Upstart.com, referring consumers directly to its network of AI-enabled bank partners
- The Company's consumer presence allows an increase in awareness of and interest in Upstart-powered loans, directly contributing to its own growth, as well as the growth and success of its bank partners' lending programs

#### Capital Efficient Fee-based Business

- In Q3 2020, Upstart generated 96% of revenue from fees from banks and loan servicing
- The Company has also achieved a high degree of automation, with approximately 70% of Upstart-powered loans approved instantly and fully automated in the third quarter of 2020, driving operating leverage and improving unit economics

#### Regulatory Compliance

- Upstart has worked with regulators since its inception to ensure the Company operates in compliance with applicable laws and regulations
- AI lending expands access to affordable credit by constantly finding new ways to identify qualified borrowers, yet AI models must avoid unlawful disparate impact or statistical bias that would be harmful to protected groups
- Upstart has demonstrated to the CFPB that its platform does not introduce unlawful bias to the credit decision, and has developed sophisticated reporting procedures to ensure future versions of the model remain fair



# Upstart Raises \$240 million in its IPO

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## Growth Strategies



### Model Improvements

Upstart's growth has historically been driven by AI model improvements and technology upgrades, and the trend is expected to continue for the foreseeable future. Model upgrades typically result in higher approval rates, better loan offers, higher degrees of automation and other improvements that increase the total number of funded loans. As the model accuracy increases, Upstart is able to re-target and approve consumers who previously visited the site but were not eligible for a loan.



### More Efficient Funding

Growth is also driven by a reduced cost of funding for Upstart-powered loans. This can happen because more banks adopt the platform, or existing partners increase their budget for Upstart-powered loans. Cost of funding can also be reduced as bank partners gain more confidence in the Company's models and lower some of the constraints they choose to place on their lending program. The cost of funding through institutional investors can also improve regularly, as credit rating agencies and loan and residual buyers gain confidence in the credit performance of Upstart-powered loans.



### Bank Distribution

Today, the vast majority of borrowers are referred to Upstart bank partners via Upstart.com. But these banks are also beginning to offer Upstart-powered loans through their own websites, supported by their own marketing programs. Upstart expects the bank-driven distribution of Upstart-powered loans to grow over time, as more bank partners roll out white-labeled versions of Upstart to serve their new and existing customers directly.



### New Products

Personal loans are one of the fastest-growing segments of consumer credit in the U.S., but they are far from the largest. As Upstart applies AI models and technology to other credit verticals, the Company will be able to serve the needs of more consumers and to play a broader technology enablement role for its bank partners. There is significant opportunity to expand from personal loans to auto loans, credit cards, mortgages, student loans, point-of-sale loans and HELOCs.

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## Management Team

### Dave Girouard

Chief Executive Officer, Co-Founder, Chairperson of the Board



- Mr. Girouard is a co-founder and has served as Chief Executive Officer and a member of the board of directors since Upstart's incorporation
- Prior to joining the Company, Mr. Girouard served in various roles at Google, most recently as President of Google Enterprise, where he helped build Google's cloud applications business worldwide

### Sanjay Datta

Chief Financial Officer



- Mr. Datta has served as Upstart's Chief Financial Officer since December 2016
- Prior to joining the Company, he served in various roles at Google, including as Vice President of Finance for Global Advertising, Finance Director of Corporate Revenue and Product Profitability, and in various international finance leadership positions based in Asia and Europe

### Anna M. Counselman

Co-Founder, SVP, People & Operations



- Ms. Counselman is a co-founder and has served in various roles since May 2012, including most recently as Senior Vice President, People and Operations
- Prior to joining the Company, she served in various roles at Google, including most recently as Head of Premium Services & Customer Programs

### Paul Gu

Co-Founder, SVP, Product & Data Science



- Mr. Gu is a co-founder and has served in various roles since April 2012, including most recently as Senior Vice President, Product and Data Science
- He has also served as a member of Upstart's board of directors since April 2015
- Prior to joining the Company, Mr. Gu worked in risk analysis at the D.E. Shaw Group, a hedge fund

### Alison Nicoll

General Counsel



- Ms. Nicoll has served as General Counsel since May 2012
- Prior to joining the Company, Ms. Nicoll served as an associate General Counsel at PayPal, where she managed the North America legal team responsible for supporting multiple business units on issues ranging from corporate strategy, general commercial matters, regulatory developments and compliance, consumer protection, online and mobile payments and merchant payment acceptance

# Upstart Raises \$240 million in its IPO

## Funding Partners



### Bank Partners



### Institutional Investors

Upstart has approximately 100 institutional investors including:



Morgan Stanley

PIMCO

Jefferies

J.P.Morgan



Bank Partners

Institutional Investors

% of Loans Held\*

4%

23%

73%

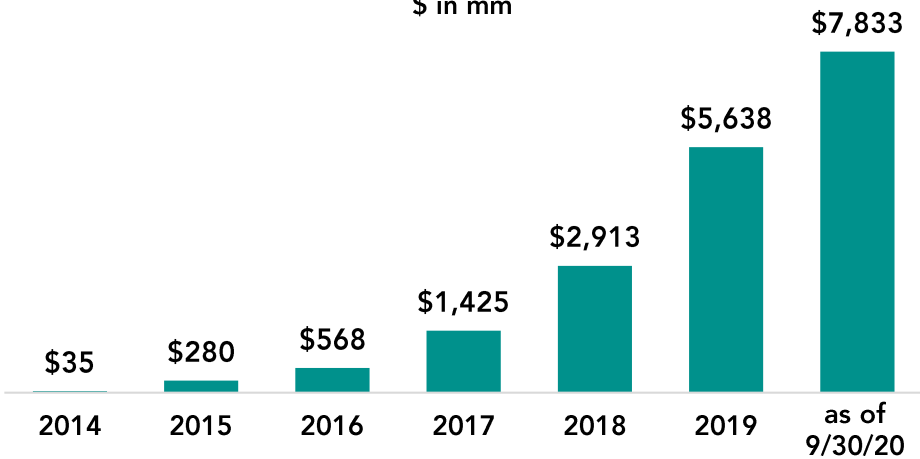
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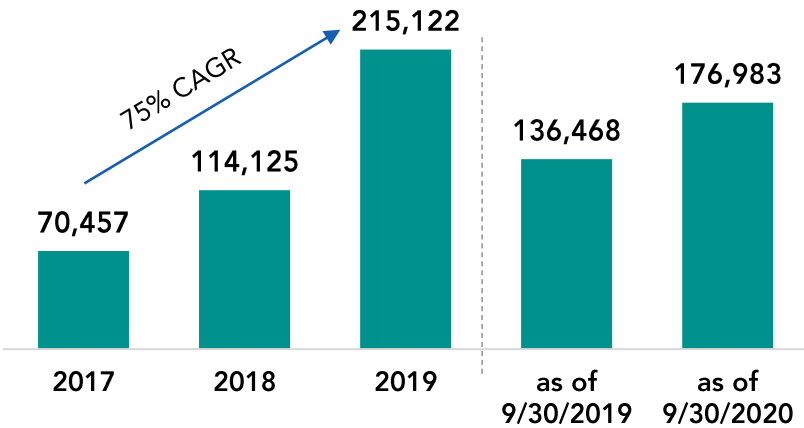
## Key Operating Metrics

Cumulative Loan Value Transacted

\$ in mm

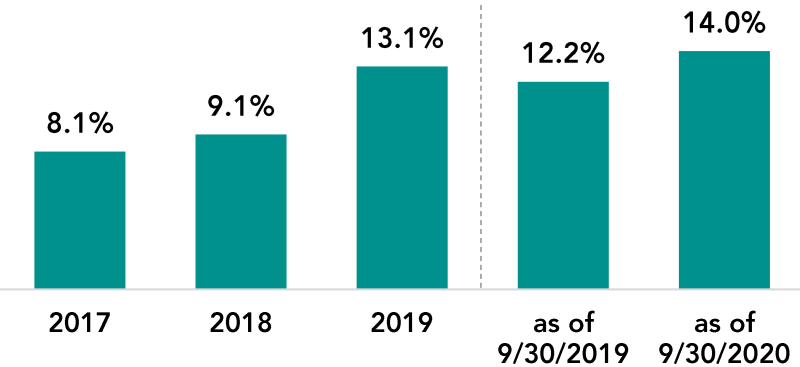


Number of Loans Transacted



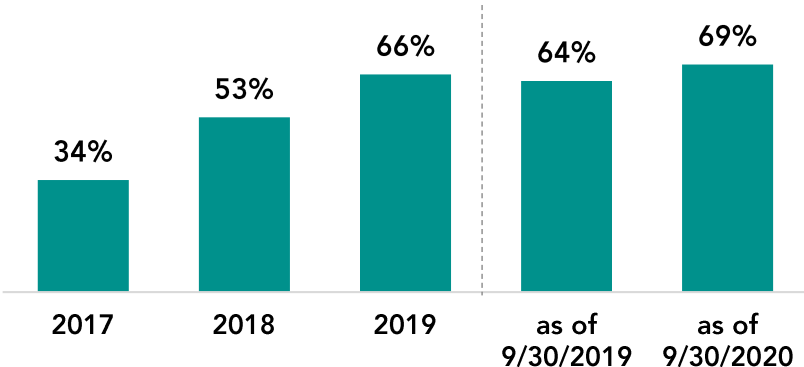
Conversion Rate (%)

The number of loans transacted in a period divided by the number of rate inquiries received, which are recorded when a borrower requests a loan offer on the platform



Percentage of Loans Fully Automated

The total number of loans in a given period originated end-to-end (from initial rate request to final funding) with no human involvement divided by the number of loans transacted in the same period



Source: Company website, prospectus

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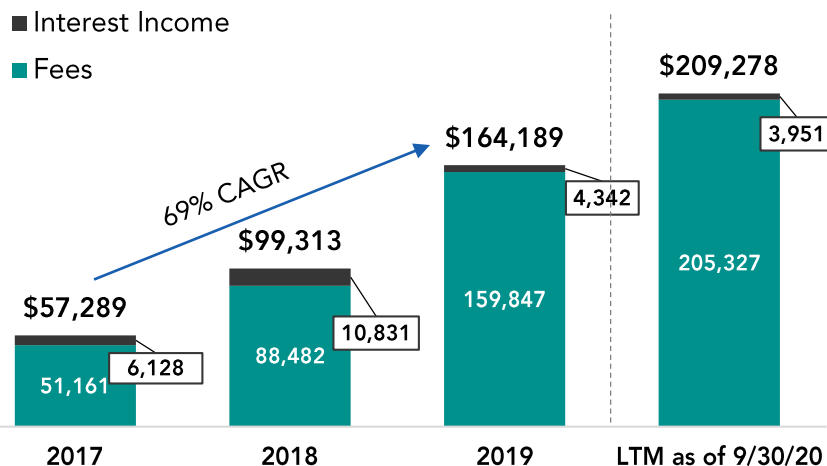
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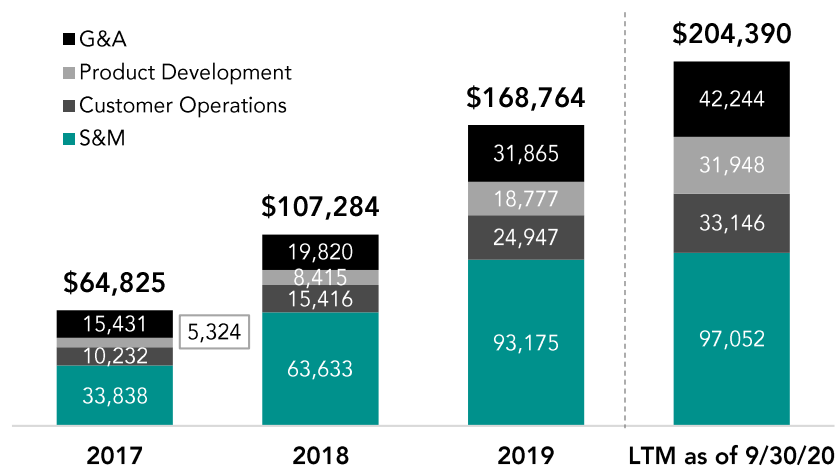
## Financial Overview

\$ in thousands

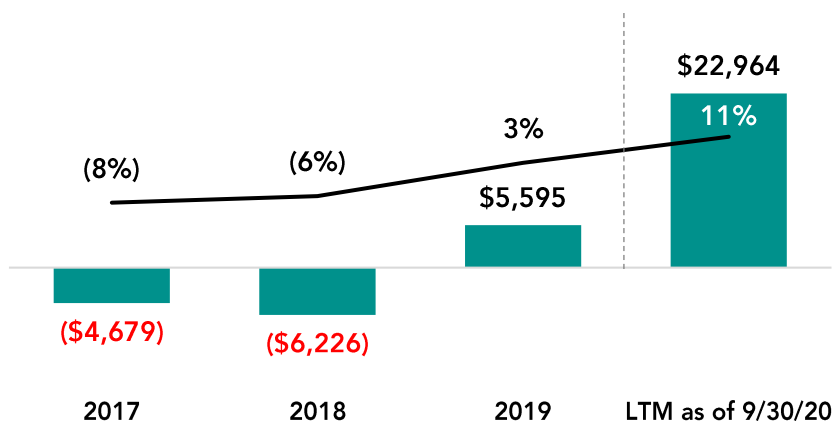
### Revenue



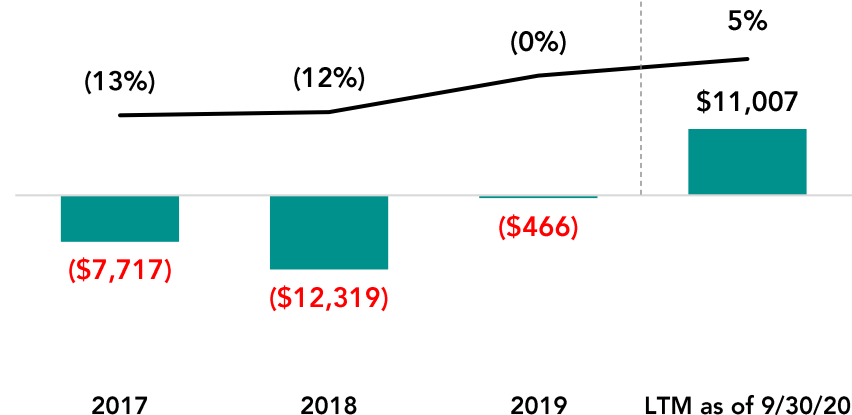
### Cost and Operating Expenses



### Adjusted EBITDA / % Margin <sup>(1)</sup>



### Net Income / % Margin



Source: Company website, prospectus

(1) Upstart defines Adjusted EBITDA as net loss attributable to Upstart Holdings, Inc. stockholders adjusted to exclude stock-based compensation expense, depreciation and amortization, expense on warrants and convertible notes, net and provision for income taxes. Adjusted EBITDA does include interest expense from corporate debt and warehouse credit facilities which is incurred in the course of earning corresponding interest income.

# Upstart Raises \$240 million in its IPO



## Publicly Traded Comparables

Company Name	Price 12/16/20	% MTD Change	% LTM High	Market Value (\$ mm)	Multiples						Growth Rates			Book Value		ROE
					Price / Earnings			Market Cap / Revenue			Revenue		EPS	P / B	P / TBV	
					LTM	CY 20E	CY 21E	LTM	CY 20E	CY 21E	CY 20E	CY 21E	LT			
ONLINE, NON-BANK LENDERS																
Upstart	\$ 29.47	na	na	\$ 2,135	194.0 x	na	na	10.2 x	na	na	na	na	na	na	na	na
LendingClub	8.90	8	65	814	nm	nm	nm	1.4	2.6	1.7	(58)	55	na	1.1	1.2	(20)
GreenSky	4.28	0	43	780	7.6	23.9	13.6	1.5	1.5	1.3	(2)	13	na	nm	nm	nm
Oportun	18.75	3	73	536	14.5	nm	11.7	1.0	0.9	0.8	(3)	11	na	na	1.3	(6.7)
Funding Circle	1.14	(0)	61	416	nm	nm	nm	4.6	2.0	1.9	23	5	na	1.4	1.4	(57)
Prospera	0.67	(2)	40	109	nm	nm	nm	1.6	0.9	0.9	(11)	(6)	na	1.1	na	nm
creditshelf	53.59	(1)	76	73	nm	nm	nm	11.9	13.0	6.5	23	101	na	12.6	52.7	(82)
Median		0 %	63 %		14.5 x	23.9 x	12.6 x	1.6 x	1.8 x	1.5 x	(3)%	12 %	na	1.3 x	1.3 x	
Mean		1	60		72.0	23.9	12.6	4.6	3.5	2.2	(5)	30	na	4.1	14.2	

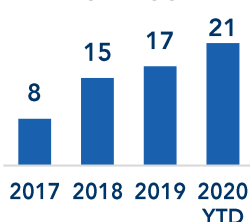
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## U.S. FinTech IPO Tracker



### # of IPOs



### Capital Raised (\$ in mm)



For more details on FinTech IPO activity, please view our continually updated, in-depth [IPO Infographic](#)



Filing Date	IPO Date	Company	Amount Raised	IPO Price	Current Price	Current Market Cap	Total Return	Sector	Research Profile
11/05/20	12/16/20	Upstart	\$240 mm	\$20.00	\$29.47	\$2,135 mm	47%	Banking / Lending Tech	
10/07/20	10/30/20	陆金所 Lufax.com	2,363	13.50	16.47	34,768	22%	Banking / Lending Tech	<a href="#">VIEW</a>
10/05/20	10/28/20	Root Insurance Co	724	27.00	17.70	3,475	(34%)	InsurTech	<a href="#">VIEW</a>
10/05/20	10/28/20	MediaAlpha	176	19.00	37.75	1,991	99%	InsurTech	<a href="#">VIEW</a>
08/28/20	09/23/20	GoodRx	1,142	33.00	37.70	16,522	14%	FinTech Healthcare	<a href="#">VIEW</a>
07/23/20	08/14/20	Duck Creek Technologies	405	27.00	39.76	5,461	47%	InsurTech	<a href="#">VIEW</a>
07/24/20	08/13/20	KE Holdings (Beike) 贝壳	2,120	20.00	65.33	71,021	227%	Real Estate Tech	
07/07/20	08/06/20	ROCKET Companies, Inc.	1,800	18.00	20.72	44,415	15%	Banking / Lending Tech	<a href="#">VIEW</a>
07/13/20	08/05/20	BIGCOMMERCE	216	24.00	80.66	4,735	236%	Payments	<a href="#">VIEW</a>
01/17/20	07/31/20	FATHOM REALTY	34	10.00	22.20	398	122%	Real Estate Tech	
07/02/20	07/29/20	VERTEX	402	19.00	25.24	4,260	33%	FMS	<a href="#">VIEW</a>
06/19/20	07/15/20	GoHealth	914	21.00	10.54	4,378	(50%)	FinTech Healthcare	<a href="#">VIEW</a>
06/22/20	07/14/20	ncino	250	31.00	81.49	7,279	163%	Banking Tech	<a href="#">VIEW</a>
02/28/20	07/02/20	Accolade	221	22.00	51.91	2,798	136%	FinTech Healthcare	<a href="#">VIEW</a>
06/08/20	07/02/20	Lemonade	319	29.00	69.27	5,836	139%	InsurTech	<a href="#">VIEW</a>
06/09/20	07/01/20	dun & bradstreet	1,723	22.00	26.81	11,408	22%	FMS	<a href="#">VIEW</a>
05/15/20	06/04/20	Shift4 PAYMENTS	345	23.00	61.63	5,354	168%	Payments	<a href="#">VIEW</a>

Source: FT Partners' Proprietary Transaction Database, Capital IQ  
Note: Prices updated as of December 16, 2020; List does not include IPOs that raise less than \$30 mm.

## Selected FT Partners Research – *Click to View*



Finicity's \$1 billion Sale to Mastercard



Amount's \$81 million Series C Financing



Kabbage's Sale to American Express



TCI's Sale to MeridianLink



NEC Acquires Avaloq for \$2.2 billion



Nasdaq Acquires Verafin for \$2.75 billion



Current Raises \$131 million in Series C Financing



Alkami Raises \$140 million in Financing

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## Significant Experience Advising Large Financing Rounds and “Unicorns”

FT Partners has a history of advising on some of the largest financing transactions in the FinTech space, and representing numerous FinTech “Unicorns” above \$1 billion valuations

Company	Amount Raised	Selected Prominent Investors in FT Partners Led Rounds
 GreenSky™	\$1,560,000,000*	Accel TEMASEK VISA PIMCO
 stone <sup>co</sup>	1,545,000,000*	RCP REVERENCE CAPITAL PARTNERS DST ANT FINANCIAL GREENSPRING ASSOCIATES TPG
 xavidaexchange	956,000,000*	ICONIQ Premji Invest INSIGHT Great Hill PARTNERS
 MERCURY®	420,000,000	BainCapital PRIVATE EQUITY ION CDPQ Scotiabank®
 Remitly	374,000,000*	BainCapital VENTURES capitalG CIBC khosla ventures LONE PINE CAPITAL
 NEXT INSURANCE	333,000,000*	nyca KeyBank QED INVESTORS ING 乾源资本 YUAN CAPITAL
 Liquidnet	250,000,000	BBVA Santander InnoVentures BV Battery Ventures WELLINGTON MANAGEMENT THIEL
 square trade	238,000,000	maveron ADAMS STREET PARTNERS Elavon PayPal
 checkout.com	230,000,000	Redpoint PayU G/ edisonpartners
 TRUMID	200,000,000	NEUBERGER BERMAN edbi DRAGONEER INVESTMENT GROUP Munich RE
 better.com	160,000,000	coatue mastercard 8VC nabventures nab
 nmi	150,000,000	QUESTMARK PARTNERS VALOR EQUITY PARTNERS generation
 ADDEPAR	140,000,000	SILVERLAKE PARTHENON CAPITAL PARTNERS SUMMIT PARTNERS
 Kabbage	135,000,000	
 BlueVine	102,500,000	
 MoneyLion	100,000,000	
 POYNT	100,000,000	
 CHROMERIVER	100,000,000	
 Fawry	100,000,000	

\* Total includes multiple financing rounds

# FT Partners – Focused Exclusively on FinTech

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## Significant Experience Across the Bank and Lending Tech Sector



## Continued Track Record of Success in the Alternative Lending / Credit Space

### White Label Loan Management

Financial Technology Partners LP  
FTP Securities LLC

is pleased to announce its exclusive role as  
sole strategic and financial advisor to



in its Series D financing led by



with participation from



for total consideration of

**\$ 50,000,000**



The Only Investment Bank  
Focused Exclusively on Financial Technology

### Consumer Home Improvement Financing

Financial Technology Partners LP  
FTP Securities LLC

is pleased to announce its  
exclusive role as financial advisor to



in its minority investment from



for total consideration of

**\$ 300,000,000**



The Only Investment Bank  
Focused Exclusively on Financial Technology

### Consumer Marketing / Credit Lead Generation

Financial Technology Partners LP  
FTP Securities LLC

is pleased to announce its role as advisor to



in its lead investment in



with additional participation from



for approximately

**\$ 85,000,000**



The Only Investment Bank  
Focused Exclusively on Financial Technology

### Loan Origination System

Financial Technology Partners LP  
FTP Securities LLC

is pleased to announce its exclusive role as  
sole strategic and financial advisor to



in its Series C Investment from



for approximately

**\$55,000,000**



The Only Investment Bank  
Focused Exclusively on Financial Technology

### SMB Financing

Financial Technology Partners LP  
FTP Securities LLC

is pleased to announce its exclusive role as  
sole strategic and financial advisor to



in its sale to



for approximately

**\$ 200,000,000**



The Only Investment Bank  
Focused Exclusively on Financial Technology

### Personal Loans / Credit

Financial Technology Partners LP  
FTP Securities LLC

is pleased to announce its role as  
exclusive strategic and financial advisor to



on its Series D financing led by



at a valuation of

**\$1,000,000,000+**



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### Lending Enablement Platform for Auto Finance

Financial Technology Partners LP  
FTP Securities LLC

is pleased to announce its exclusive role as  
strategic and financial advisor to



on its merger with

**Nebula Acquisition Corporation**  
(NASDAQ: NEBU)

sponsored by



for total consideration of up to approximately

**\$1,700,000,000**



The Only Investment Bank  
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### SMB Financing

Financial Technology Partners LP  
FTP Securities LLC

is pleased to announce its role as  
exclusive strategic and financial advisor to



on its proposed sale to



The Only Investment Bank  
Focused Exclusively on Financial Technology

### Supply Chain Finance Solutions

Financial Technology Partners LP  
FTP Securities LLC

is pleased to announce its exclusive role as  
financial advisor to



in its investment from



for total consideration of approximately

**\$ 65,000,000**



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Focused Exclusively on Financial Technology

### SMB Financing

Financial Technology Partners LP  
FTP Securities LLC

is pleased to announce its role as  
exclusive financial advisor to



on its Series F financing led by



for total consideration of

**\$102,500,000**



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## FT Partners Advises Upstart on its Financing

### Overview of Transaction

- On July 12, 2015, Upstart (“the Company”) announced a \$35 mm Series C financing round led by Third Point Ventures, the ventures arm of Third Point LLC, which targets investment partnerships with emerging enterprise technology, healthcare, and FinTech companies with strong leadership teams
- Existing investors Khosla Ventures, First Round Capital and Collaborative Fund also participated in the round
- Upstart is an online lending platform that goes beyond the FICO score to finance consumers based on signals of their potential, including schools attended, area of study, academic performance, and work history
- The Company’s proprietary underwriting model identifies high quality borrowers despite limited credit and employment experience

### Significance of Transaction

- Upstart will use the new capital for ongoing innovation and development of the lending platform, with a specific emphasis on expanding engineering talent and further deepening the Company’s data science capabilities
- Upstart is one of the fastest-growing alternative lending platforms in the student refi market today

### FT Partners’ Role

- FT Partners served as exclusive strategic and financial advisor to Upstart and its Board of Directors
- The transaction demonstrates FT Partners’ continued success in executing growth equity focused transactions and advising top-tier alternative lenders

### Financial Technology Partners LP FTP Securities LLC

*is pleased to announce its exclusive role as  
sole strategic and financial advisor to*



*in its Series C financing led by*



*with additional participation from*



*for approximately*

# \$ 35,000,000



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## FT Partners Advises Open Lending on its Merger with Nebula Acquisition Corp.

### Overview of Transaction

- On January 6, 2020, Nebula Acquisition Corporation "Nebula" (Nasdaq: NEBU), a special purpose acquisition company ("SPAC"), sponsored by True Wind Capital, announced a definitive merger agreement with Open Lending
- Upon completion of the business combination on June 10, 2020, Nebula changed its name to Open Lending, and its common stock is expected to begin trading on the Nasdaq Stock Market under the ticker symbol "LPRO", commencing June 11, 2020
  - Total consideration of the transaction is approximately \$1.7 billion \*
- Open Lending, through its flagship product, Lenders Protection, offers loan analytics, risk-based pricing, risk modeling and default insurance, ensuring profitable auto loan portfolios for financial institutions throughout the U.S.

### Significance of Transaction

- While creating significant liquidity for existing shareholders, Open Lending's Management team will continue to lead the merged Company as over 70% of their existing equity is expected to be rolled as part of the transaction
- Open Lending's existing minority investor, Bregal Sagemount, a prominent growth equity firm, will continue as a public stockholder and participate on the board as well
- Open Lending will pursue significant growth opportunities within its existing customer base of credit unions, banks, and OEM Captives, as well as through new channels, asset classes, and geographies

### FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to Open Lending
- Exemplifies FT Partners' ability to deploy expertise for a complex business operating at the intersection of consumer finance, InsurTech, and Auto FinTech
- Builds on FT Partners' expertise in navigating the unique process in selling companies to SPACs, and follows highly successful sales of FT Partners' clients [CardConnect](#) and [REPAY](#)

**Financial Technology Partners LP**  
**FTP Securities LLC**

*is pleased to announce its exclusive role as  
strategic and financial advisor to*

 **OpenLending**

*on its merger with*

**Nebula Acquisition Corporation**  
**(NASDAQ: NEBU)**

*sponsored by*

  
**TRUE WIND**

*for total consideration of up to approximately*

**\$1,700,000,000**



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\* This amount represents the estimated enterprise value at the share price of \$13.35 as of June 9, 2020, plus the value of the earnout shares at \$12, \$14 and \$16 and estimated value of the TRA for the selling shareholders

## FT Partners Advises Finicity on its Sale to Mastercard

### Overview of Transaction

- On June 23, 2020, Mastercard (NYSE: MA) announced it has entered into an agreement to acquire Finicity, a leading North American provider of real-time financial data access and insights
  - The acquisition is valued at up to ~\$1 billion in total consideration, which is comprised of \$825 million at close and up to \$160 million in earn-out consideration
- Finicity enables a secure and innovative financial data-sharing ecosystem through direct connectivity to thousands of North American financial institutions, including next generation open banking API connections with the largest banks in the US
  - Finicity helps power the programs of banks and FinTech companies, using approvals to securely access customer information to provide value-added services such as streamlined loan and mortgage processes, rapid account-based payment initiation and personal financial management solutions

### Significance of Transaction

- The addition of Finicity's complementary technology and innovative team strengthens the existing Mastercard open banking platform to enable and safeguard a greater choice of financial services, reinforcing the Company's long-standing partnerships with and commitment to financial institutions and FinTech companies across the globe

### FT Partners' Role

- FT Partners served as the exclusive strategic and financial advisor to Finicity and its board of directors
- This transaction highlights FT Partners' deep domain expertise across the FinTech sector and further supports FT Partners' role as the Advisor of Choice to the highest quality FinTech companies

### Financial Technology Partners LP FTP Securities LLC

*is pleased to announce its role as  
exclusive strategic and financial advisor to*

**Finicity**<sup>®</sup>

*on its sale to*



*for total consideration of up to*

**~\$1,000,000,000**

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## FT Partners Advises Upgrade on its Series D Financing

### Overview of Transaction

- On June 17, 2020, Upgrade announced it has raised Series D financing led by Santander InnoVentures, with participation from existing investors including Union Square Ventures, Ribbit Capital, Vy Capital and Silicon Valley Bank and new investors Ventura Capital and Uncorrelated Ventures
  - The round values the Company at more than \$1 billion, which represents a 2x increase over the prior round valuation
- Upgrade is a neobank that offers affordable and responsible credit to mainstream consumers through cards and personal loans, along with free credit monitoring and education tools that help consumers better understand their finances
- Since Upgrade launched in 2017, more than 10 million consumers have applied for an Upgrade card or loan and the Company has delivered over \$3 billion in credit, growing at a triple digit annual rate
- Upgrade is cash flow positive with an annual revenue run rate of \$100 million
- Later this year, Upgrade plans to launch the Upgrade Account, an online checking account with generous debit rewards and an easier path to Upgrade's credit product

### Significance of Transaction

- The investment will fuel the rapid growth of the Upgrade Card, an innovative credit card that brings the low cost of responsible credit of installment lending to millions of retail locations in the U.S.
- Upgrade will also use the investment for the upcoming launch of Upgrade Account, a mobile banking product offering exceptional value to mainstream consumers

### FT Partners' Role

- FT Partners served as exclusive financial and strategic advisor to Upgrade
- This transaction highlights FT Partners' deep domain expertise with neobanks and the direct-to-consumer sector, as well as its successful track record generating highly favorable outcomes for high-growth FinTech companies globally

#### Financial Technology Partners LP FTP Securities LLC

*is pleased to announce its role as  
exclusive strategic and financial advisor to*



*on its Series D financing led by*



*at a valuation of*

**\$1,000,000,000+**

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## FT Partners Advises OakNorth on its Secondary Sale

### Overview of Transaction

- In September and October 2020, existing shareholder Indiabulls Housing Finance Limited (“Indiabulls”) sold down a stake in OakNorth for more than \$250 million
  - Indiabulls, an Indian mortgage lender which acquired a 40% stake in OakNorth in 2015 and partially exited it in 2018, has now sold a large portion of its remaining stake
- With offices around the world, OakNorth is the next-generation artificial intelligence software business that combines a deep understanding of credit, dynamic data sets, cloud-computing and state of the art machine learning, to enable the commercial bank of the future
- OakNorth’s Credit Intelligence Suite was first proven within OakNorth Bank, a UK bank launched in September 2015, which has lent over \$5bn to British businesses, achieving performance metrics which place it amongst the top 1% of banks globally – an RORE of 22.3%, an efficiency ratio of 29.8%, an NPS of 82, and no credit losses to date
- The OakNorth Credit Intelligence Suite helps banks better understand their loan books and borrowers, and effectively stress test their portfolios. The result is more effective, better equipped Relationship, Risk and Transaction Managers, superior credit outcomes, improved efficiency, reduced risk, enhanced regulatory compliance and greater customer delight

### Significance of Transaction

- The transaction further validates the OakNorth proposition and the growth potential of its technology in helping to close the estimated \$1.3 - \$1.5tn mid-market business funding gap

### FT Partners’ Role

- FT Partners served as exclusive strategic and financial advisor to OakNorth and to Indiabulls
- This transaction highlights FT Partners’ deep domain expertise in the Banking Tech space, and its successful track record generating highly favorable outcomes for all stakeholders

### Financial Technology Partners LP FTP Securities LLC

*is pleased to announce its role as exclusive  
strategic and financial advisor to*



# OakNorth

*and to*

# Indiabulls

*on the sale of a minority stake for*

# \$250,000,000+

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## FT Partners Advises MoneyLion on its Series C Financing

### Overview of Transaction

- On July 23, 2019, MoneyLion announced it has raised \$100 million in Series C financing, which included strategic investments from Capital One and MetaBank in addition to participation from Edison Partners, Greenspring Associates and FinTech Collective
- MoneyLion is a mobile banking platform that allows members to conveniently borrow money, manage and aggregate finances, as well as invest in future goals through a proprietary digital advisor
- MoneyLion serves over 5 million members, and in 2018 the Company helped its members avoid over \$7 million in traditional banking fees, in addition to helping 70% of members improve their credit scores by 30 points

### Significance of Transaction

- MoneyLion will use the latest round of financing to accelerate its customer growth in the U.S., and to expand its product offerings to include 0% APR daily cash advances, high-yield cash accounts and a stock trading platform
- With this latest round, MoneyLion has now raised a total of over \$200 million in equity financing

### FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to MoneyLion and its board of directors on its \$100 million in Series C financing
- FT Partners previously advised MoneyLion on its \$82 million Series B financing in 2018
- This transaction highlights FT Partners' deep domain expertise in the banking technology sector, and its successful track record generating highly favorable outcomes for high growth FinTech companies globally

### Financial Technology Partners LP FTP Securities LLC

*is pleased to announce its role as  
exclusive strategic and financial advisor to*



# MoneyLion

*in its Series C financing with participation  
from new strategic investors*



*along with participation from*



edisonpartners



*for total consideration of*

# \$100,000,000

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## FT Partners Advises Amount on its \$81 million Series C Financing

### Overview of Transaction

- On December 2, 2020, Amount announced it has raised \$81 million in Series C financing led by Goldman Sachs Growth with participation from existing investors including August Capital, Invus Opportunities and Hanaco Ventures
- Amount delivers technology solutions for financial institutions to create and enhance their digital consumer experiences
  - Solutions include omnichannel retail banking and a robust point-of-sale financing product suite alongside platform features like fraud prevention, verification, decisioning engines, and account management to enhance its clients' existing products and services
- Leading financial institutions including Banco Popular, HSBC, Regions Bank and TD Bank partner with Amount to drive growth and simplify their transition to digital financial services
  - Amount's clients collectively manage nearly \$2 trillion in US assets and service more than 50 million US customers

### Significance of Transaction

- The latest round brings Amount's total capital raised in 2020 to nearly \$140 million and follows its Series B round, led by QED Investors, from earlier this year
- The new funding will allow for further investments in platform research and development, as well as for accelerating the Company's go-to-market strategy

### FT Partners' Role

- FT Partners served as exclusive financial and strategic advisor to Amount
- This transaction underscores FT Partners' expertise across the Banking Tech landscape and highlights its position as the "Advisor of Choice" to leading FinTech companies

### Financial Technology Partners LP FTP Securities LLC

*is pleased to announce its role as  
exclusive strategic and financial advisor to*



**AMOUNT**

*on its Series C financing led by*



*for a total amount of*

**\$81,000,000**



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## FT Partners Advises Kabbage on its Sale to American Express

### Overview of Transaction

- On August 17, 2020, American Express announced that it has signed a definitive agreement to acquire Kabbage
- Kabbage empowers small businesses through straightforward, flexible access to capital
  - Since inception, the Company extended more than \$16 billion directly to small business owners and powered automated funding for other organizations all over the globe
- Kabbage approved a landmark number of applications in the Paycheck Protection Program, demonstrating the true power, scale and reach of its technology platform
  - Over the three-month period of the program, Kabbage approved nearly 300,000 small businesses for ~\$7 billion, making it the second-largest PPP lender in the country by application volume, outperforming some of America's largest banks
- American Express will acquire Kabbage's team and its full suite of financial technology products, data platform and IP built for small businesses

### Significance of Transaction

- The combination of Kabbage's and American Express' platforms can help small businesses succeed with a fully digital suite of financial products to help them run and grow their companies
- This acquisition accelerates American Express' plans to expand beyond its industry-leading commercial card products to offer business customers a growing set of payments and working capital solutions

### FT Partners' Role

- FT Partners served as exclusive financial and strategic advisor to Kabbage
- FT Partners previously advised Kabbage on its [\\$135 million Series E financing](#)
- This transaction highlights FT Partners' deep domain expertise in the Banking Technology and Alternative Lending sectors, as well as our successful track record generating highly favorable outcomes for high-growth FinTech companies globally

### Financial Technology Partners LP FTP Securities LLC

*is pleased to announce its role as  
exclusive strategic and financial advisor to*



*on its proposed sale to*



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## FT Partners Advises TCI on its Sale to MeridianLink

### Overview of Transaction

- On November 2, 2020, Teledata Communications Incorporated (TCI) announced its sale to MeridianLink, a portfolio company of Thoma Bravo
- Founded in 1982 and based in Islandia, NY, TCI is a leading SaaS-based loan origination platform, helping credit unions, community banks, and finance companies originate and approve consumer loans
- TCI offers a highly flexible, configurable platform providing Loan Origination Software (LOS), online account opening, digital branch, and online sales enablement
- TCI provides DecisionLender, a SaaS loan origination solution that was first released in 1998
- DecisionLender is an industry-trusted LOS that serves more than 300 banks, credit unions, and finance companies nationwide

### Significance of Transaction

- TCI's combination with MeridianLink strengthens one of the leading providers in the consumer automotive lending space
- TCI and MeridianLink have highly complementary solutions and, combined, will help accelerate innovation in the LOS space

### FT Partners' Role

- FT Partners served as the exclusive financial and strategic advisor to TCI
- The success of this transaction highlights FT Partners' role as the leading advisor to companies in the Banking and Lending Technology sector while also building on the Firm's breadth of knowledge and experience across the greater FinTech landscape

### Financial Technology Partners LP FTP Securities LLC

*is pleased to announce its role as  
exclusive strategic and financial advisor to*



*on its sale to*



*a portfolio company of*



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## FT Partners’ Recent Awards and Recognition

### Bloomberg

#### Bloomberg

- FT Partners’ Steve McLaughlin was featured on Bloomberg / Bloomberg TV
- View the [full article](#) and watch the live [TV interview](#)



#### M&A Advisor Awards

- Technology Deal of the Year (2019)
- Cross Border Deal of the Year and Corporate / Strategic Deal of the Year (2018)
- Investment Banker of the Year (2017) – Steve McLaughlin, CEO & Managing Partner of FT Partners
- Investment Banking Firm of the Year (2016) – FT Partners



#### LendIt FinTech Industry Awards 2018:

- FT Partners wins Top Investment Bank in FinTech

### Institutional Investor



#### The FinTech Finance 40:

- Steve McLaughlin ranked #1 in 2017 and 2018

### The Information

Silicon Valley's Most Popular Dealmakers

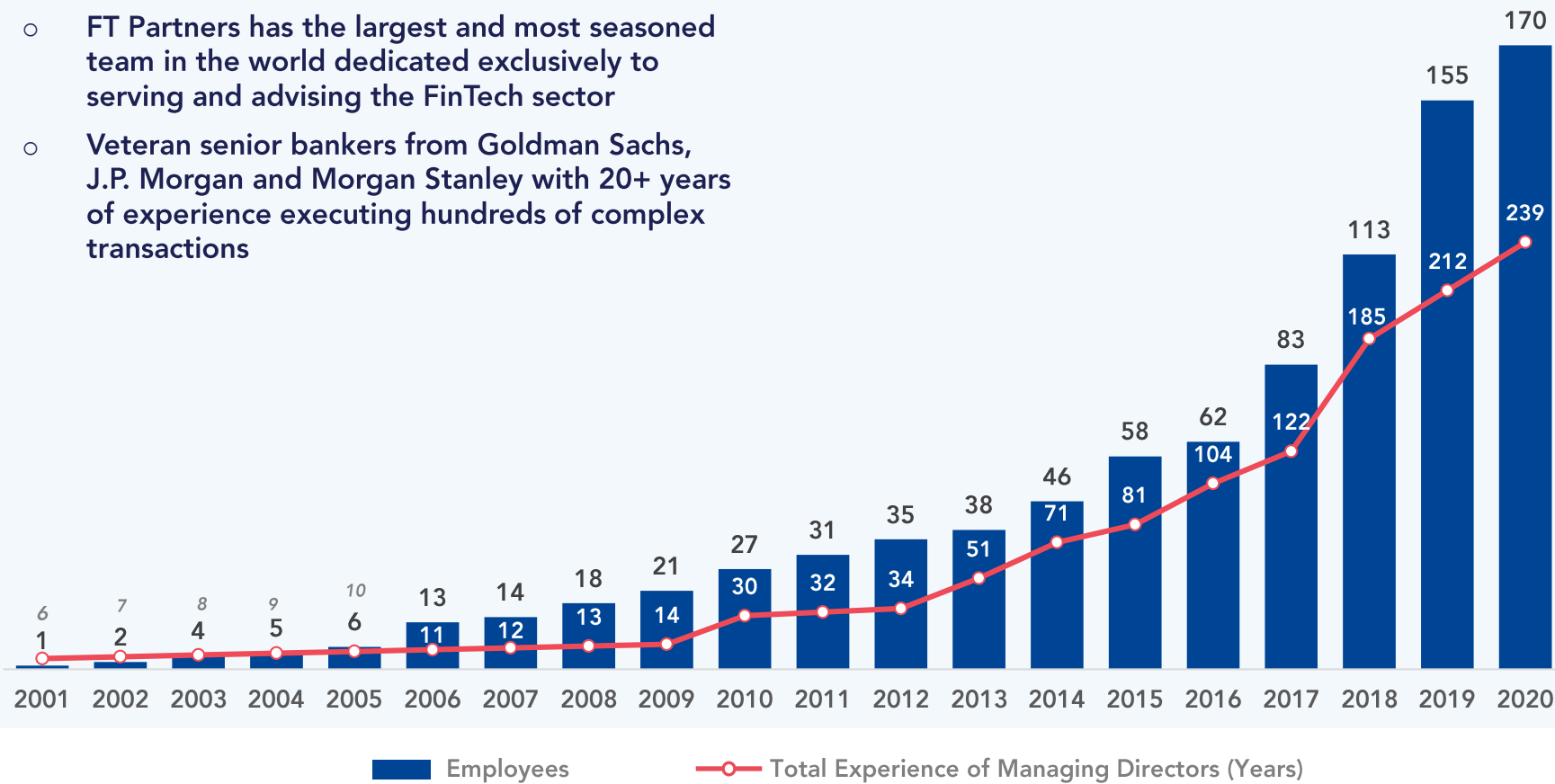
Name	Title	Company
Steve McLaughlin	Managing Director	FT Partners
Michael Bishop	Managing Director	Goldman Sachs
Paul Rosen	Managing Director	JP Morgan
Quincy Smith	Partner	Credit Suisse

#### The Information's "Silicon Valley's Most Popular Dealmakers"

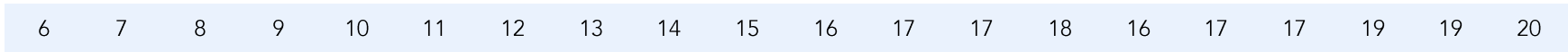
- Ranked as the #2 top Technology Investment Banker by The Information subscribers (2016)
- Only FinTech focused investment banking firm and banker on the list

## The Largest FinTech Advisory Practice in the World

- FT Partners has the largest and most seasoned team in the world dedicated exclusively to serving and advising the FinTech sector
- Veteran senior bankers from Goldman Sachs, J.P. Morgan and Morgan Stanley with 20+ years of experience executing hundreds of complex transactions



Average Experience of Managing Directors (Years)



## The FT Partners Senior Banker Team

Name / Position	Prior Background	Experience / Education	Years of Experience
<b>Steve McLaughlin</b> <i>Founder, CEO and Managing Partner</i>		<ul style="list-style-type: none"> <li>Formerly with Goldman Sachs in New York and San Francisco from 1995-2002</li> <li>Formerly Co-Head of Goldman Sachs' Financial Technology Group (#1 market share)</li> <li>Wharton M.B.A.</li> </ul>	<b>25</b>
<b>Mohit Agnihotri</b> <i>Managing Director</i>	J.P.Morgan	<ul style="list-style-type: none"> <li>Formerly Managing Director and Global Head of Payments Investment Banking at J.P. Morgan</li> <li>Wharton M.B.A.</li> </ul>	<b>18</b>
<b>Kate Crespo</b> <i>Managing Director</i>	RAYMOND JAMES®	<ul style="list-style-type: none"> <li>Formerly with Raymond James' Technology &amp; Services investment banking</li> <li>14+ years of FinTech transaction execution experience</li> <li>Dartmouth M.B.A.</li> </ul>	<b>18</b>
<b>Larry Furlong</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>Formerly with Goldman Sachs in New York, London and Los Angeles from 1995-2004</li> <li>Wharton M.B.A.</li> </ul>	<b>24</b>
<b>Osman Khan</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>Formerly Managing Director and Head of FIG M&amp;A at Alvarez &amp; Marsal</li> <li>15+ years FIG deal, consulting and assurance experience at PwC</li> <li>40 Under 40 M&amp;A Advisor Award Winner in 2013</li> </ul>	<b>23</b>
<b>Randall Little</b> <i>Managing Director</i>	J.P.Morgan	<ul style="list-style-type: none"> <li>12 years as FIG / Capital Markets FinTech investment banker at J.P. Morgan</li> <li>10 years as financial services technology consultant at Sun Microsystems and Ernst &amp; Young</li> <li>NYU Stern M.B.A. (MBA w/Distinction)</li> </ul>	<b>23</b>
<b>Andrew McLaughlin</b> <i>Managing Director</i>	Deloitte.	<ul style="list-style-type: none"> <li>20+ years experience executing / implementing financial and operational strategy</li> <li>Formerly with Deloitte Consulting</li> </ul>	<b>14</b>
<b>Amar Mehta</b> <i>Managing Director</i>	J.P.Morgan	<ul style="list-style-type: none"> <li>Formerly with J.P. Morgan's Technology (FinTech &amp; Technology Services) team in New York</li> <li>7+ years of FinTech transaction execution experience</li> <li>MBA from IIM-K (India), Bachelor's in Computer Engineering from NTU (Singapore)</li> </ul>	<b>15</b>
<b>Mike Nelson</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>Formerly head of FinTech M&amp;A at SunTrust Robinson Humphrey</li> <li>Kellogg M.B.A.</li> </ul>	<b>20</b>
<b>Timm Schipporeit</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>Formerly with Morgan Stanley as Senior Executive Director of European Technology Investment Banking Team in London</li> <li>Formerly a Venture and Growth Investor focused on FinTech at Index Ventures</li> </ul>	<b>17</b>
<b>Greg Smith</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>Formerly award winning Equity Research Analyst at Merrill Lynch, J.P. Morgan and Hambrecht &amp; Quist</li> <li>20+ years of experience covering FinTech as both an Analyst and Investment Banker</li> </ul>	<b>24</b>
<b>Tim Wolfe</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>Formerly with Goldman Sachs from 2000-2002</li> <li>40 Under 40 M&amp;A Advisor Award Winner 2013</li> <li>Harvard M.B.A.</li> </ul>	<b>18</b>